THG

The 39% makeover: LOOKFANTASTIC's stunning PMax revenue growth

+39%
OVERALL REVENUE

Cal Salvaggio
Global Head of Paid Media, THG
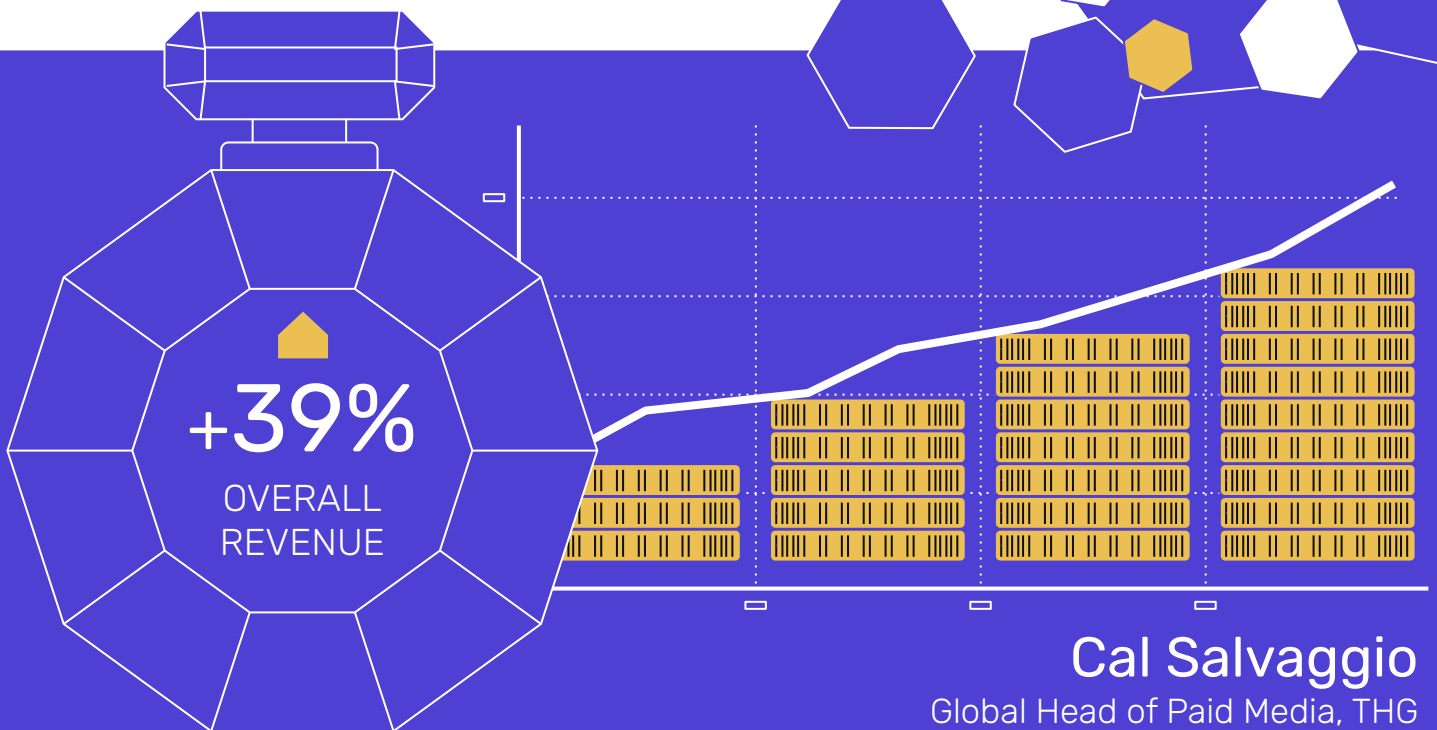
Spotting campaign wrinkles

With its standout brand and premium products, THG found itself **navigating the tricky waters of ads automation.**

Managing multiple stores, each with its own targets and teams, meant constantly adjusting their ad strategies. This required **a lot of hands-on work** and expertise.

Adding Performance Max (PMax) to the mix didn't make things easier. THG was good with Google Shopping Ads, but **PMax was a whole new game ...**

- The loss over granular item-level control caused THG to cram their vast catalog **into one PMax campaign, which treated all products equally & wasted their budget.**

- Figuring out how to make PMax campaigns work more efficiently involved extensive **manual input and click-work.**

This approach wasn't doing them any favors ...

- Inefficient campaign structure & budgeting led to less web traffic, dipping sales, **and missed goals.**

- All that manual work **was eating into time** that could be spent on big-picture strategies.

To **smooth these campaign wrinkles out,** THG decided to give smec's solution a shot.

MYPROTEIN

MYVEGAN

Perricone MD

allsole

DERMSTORE

LOOKFANTASTIC

cult BEAUTY

SkinStore
part of the **LOOKFANTAS IC** group

MANKIND

ESPA

ILLAMASQUA

MYBAG

MP MYVITAMINS

THG is a vertically integrated, digital first consumer brands group that operates **three distinct businesses** in Beauty, Nutrition and Ingenuity, each scaled from the UK to hold **global leading positions** in their respective sectors.

smec

A healthy tech boost

THG found a solution to their campaign troubles in **our proprietary software.**

When partnering with smec, THG leveraged our technology to dissect and categorize their extensive product range into **strategically significant segments.**

This way, they identified products that directly contribute to THG's overarching **business objectives,** directing advertising efforts to items **with the highest potential.**
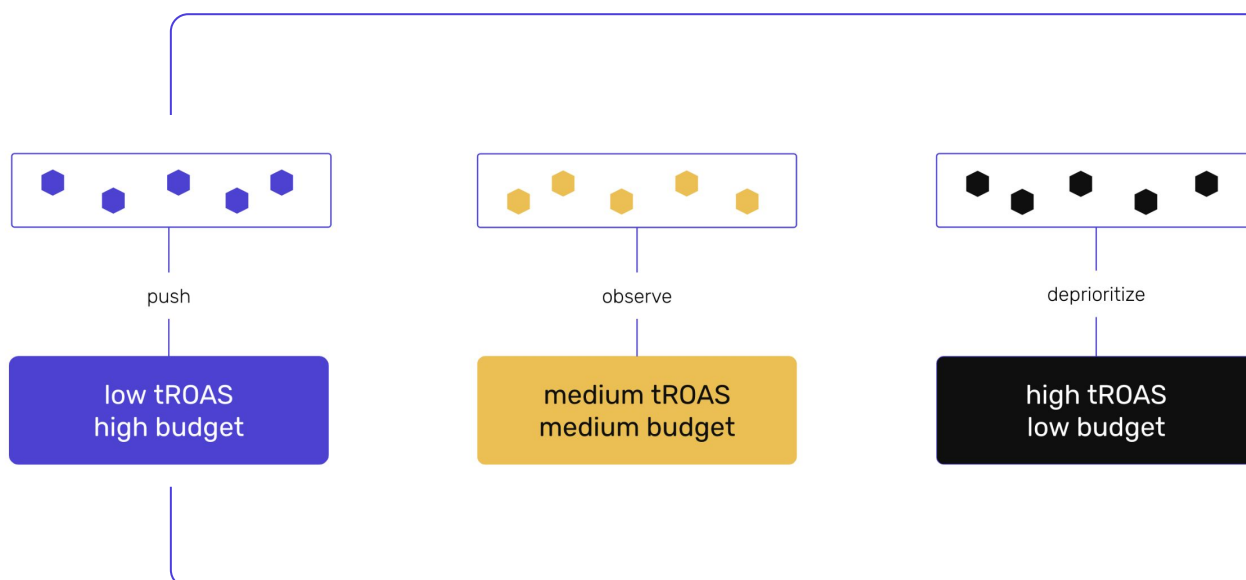
THG's advertising strategy followed **three key components:**

Multi-dimensional product segmentation:

- THG can categorize their products by **a wide range of key business metrics** to align them with **strategic objectives.**

- Multidimensionality identifies **products with untapped potential** by considering comprehensive business insights, aiming **for long-term profitability.**

- This deep dive into product attributes enhances marketing precision by enabling **THG to craft more meaningful, goal-oriented campaigns.**
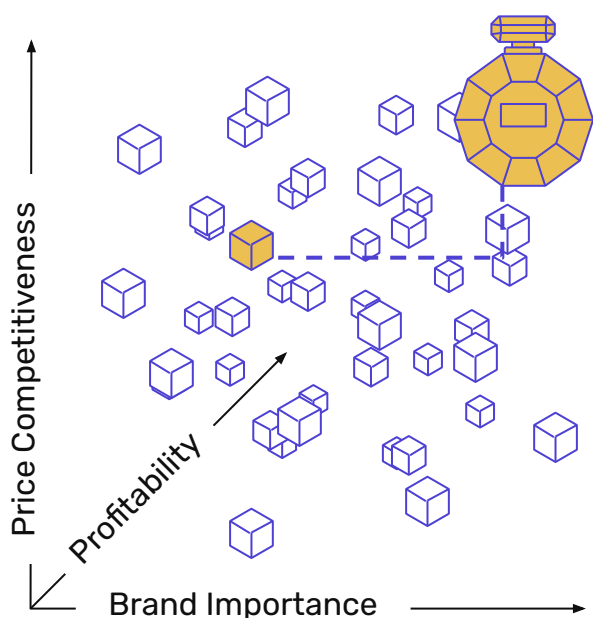
Once THG harnessed our software, **our predictive AI model** analyzed their product data to identify patterns and product potential based on factors like first-party brands and product locations. This allowed THG to **customize their campaigns to seamlessly match these factors.**

smec

| push | observe | deprioritize |

| low tROAS high budget | medium tROAS medium budget | high tROAS low budget |

Automated campaign generation:

- The software uses these segments and **calculates fitting tROAS goals and budgets** for each before transforming them into correlating campaigns.

- This process is repeated on a daily basis to reflect any changes in goals and product assortments, **ensuring all 250k+ products of THG** are consistently advertised through the right campaigns.

This ensured tailored campaigns to the company's specific business goals and the unique needs of THG's customer base.

Last, but not least, **the third step in their strategy** brought them …

Unprecedented performance insights:

- THG's teams maintain control over the software by fine-tuning their goals and assessing campaign recommendations, **while directly monitoring** actual campaign and product performance.

- On top, our experts share their know-how and **provide assistance with strategic decisions,** utilizing competition insights, benchmark reports and custom dashboards.

How did this work in action? Look no further than **THG's LOOKFANTASTIC brand** …

smec

LOOKFANTASTIC

LOOKFANTASTIC looked at multi-dimensional product segmentation to **balance brand promotions and efficient logistics** in a competitive **global marketplace.**
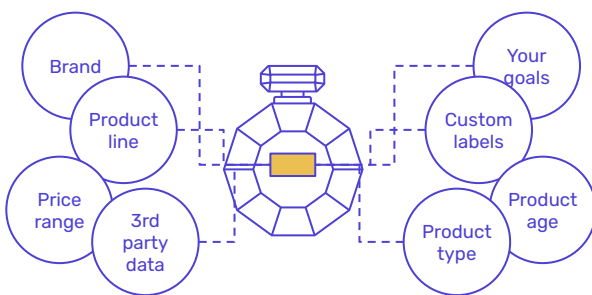
LOOKFANTASTIC is one of three **pure-play ecommerce sites** operated by the 'Beauty' division of THG. The shop offers premium products across the categories **skincare, haircare, cosmetics and fragrance.**

To maximize the returns from their PMax campaigns, it was important to factor in **the objectives and distinct characteristics** of the LOOKFANTASTIC shop.

This meant configuring our solution in such a way that it would **consider:**

1. Strategically important brands

2. Advertising countries

3. Warehouse locations

Here's how LOOKFANTASTIC aimed to setup the software to **their strategic benefit:**

| Brand strategy:

LOOKFANTASTIC optimized the software to spotlight key brands in order to leverage special deals.

| Cannibalization relief:

The software allows for smarter product placement to avoid ads overlap across different THG stores selling the same products.

| Warehouse optimization:

The company improved profitability by promoting products from cost-efficient warehouses.

| Market customization:

LOOKFANTASTIC adapted its offerings in various global markets by using the software to respond to local trends.

smec

Strategic brand push

LOOKFANTASTIC transformed its product showcase by smartly highlighting **brands key to its growth and customer appeal.**

To do this, LOOKFANTASTIC **fed the PMax algorithm with several key metrics:**

Sales data:
Past sales performance that highlights consistently popular products and brands.

Markets:
Factoring in particular characteristics and corresponding product performance in each market.

Partnership agreements:
Such as exclusive products or special deals to enhance both brand visibility and customer value.

Based on special brand deals, LOOKFANTASTIC benefits from pushing certain products over others. The software allowed them to assign **higher priority to these key items for enhanced promotion.**

But multi-dimensional product segmentation doesn't stop there. With numerous THG stores offering the same brands, the software can be configured to **prioritize ad placements for one store over the other.**

Assigning product visibility to **the most suitable store** within THG's network would prevent brand cannibalization with **sister stores.**

Now, identifying and pushing products most important to the brand is one thing. **Efficiently getting these products shipped** is a whole other ballgame.

Luckily, our solution **helps with this as well …**

Once the software analyses the entire product catalog **based on sales, market, product data, and item location,** it then uses this data to define the **conversion potential** of each item. Afterwards, the software automatically segments items into **3 distinct campaigns:**

One campaign for **products with** HIGH **conversion potential.**

One campaign for **products with** MEDIUM **conversion potential.**

One campaign for **products with** NO **conversion potential.**

smec

Targeting global markets

... by segmenting campaigns to consider not just market trends, **but warehouse logistics as well.**

Warehouse UAE
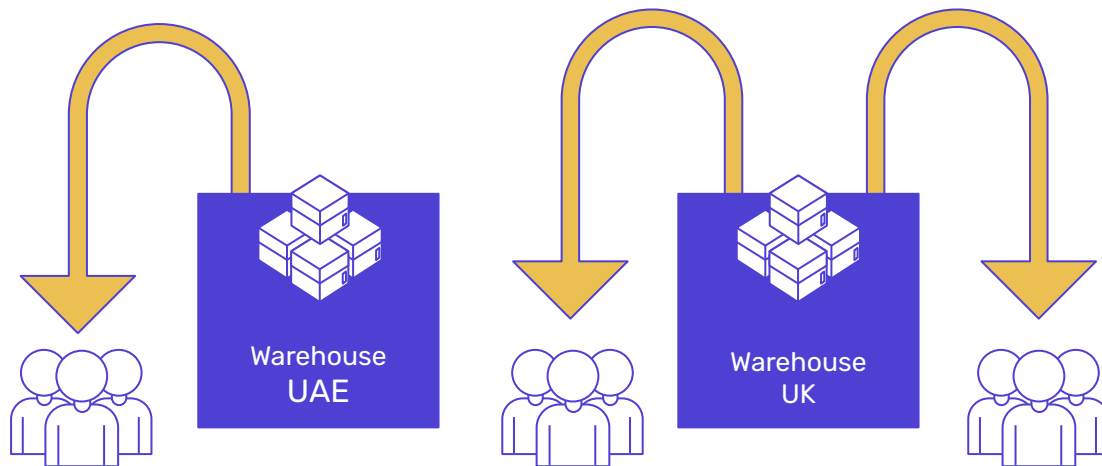
Warehouse UK

LOOKFANTASTIC streamlined its global operations by smartly optimizing **warehouse logistics** and tailoring PMax campaigns to various international markets.

Based on the **critical sales and market metrics,** LOOKFANTASTIC configured our solution to take into account which warehouse each product is shipped from.

This ensured that products with **higher profitability, due to lower shipping costs** from certain warehouses, were **prioritized.** Enhancing profit margins by minimizing expenses **associated with less efficient locations.**

Feeding PMax's algorithm with critical business data points also enabled LOOKFANTASTIC to ...

... **customize their campaigns** for each target global markets by considering:

- **Unique market characteristics** and the

- **Performance of specific products** within these markets.

This not only satisfied diverse customer needs in those regions but also **maximized market penetration and sales.**

By strategically segmenting campaigns to consider warehouse logistics and market trends, LOOKFANTASTIC streamlined its global distribution. **Ultimately boosting efficiency and market relevance.**

smec

Control to impress

LOOKFANTASTIC regained control over their catalog and **enhanced their global impact.**

Initially, LOOKFANTASTIC faced challenges with automation, particularly with the **opaque algorithm of PMax.**

Since PMax didn't offer them the granular, item-level control they mastered with Google Search Ads, LOOKFANTASTIC had to **find a way to overcome the loss of control over their PMax campaigns.**

They found this with our proprietary software solution:

multi-dimensional product segmentation allowed them to feed PMax's algorithm **with superior business data**, from sales performance, to market trends and strategic brand deals.

Based on this, **automated campaign generation** let LOOKFANTASTIC not only manage their product catalog more efficiently, but helped them customize campaigns to align with **distinct market needs across over 20 countries.**

Most notably, the implementation of this automation in the German market led to an impressive **39% increase in daily revenue.**

However, THG's PMax success story **didn't end with LOOKFANTASTIC …**
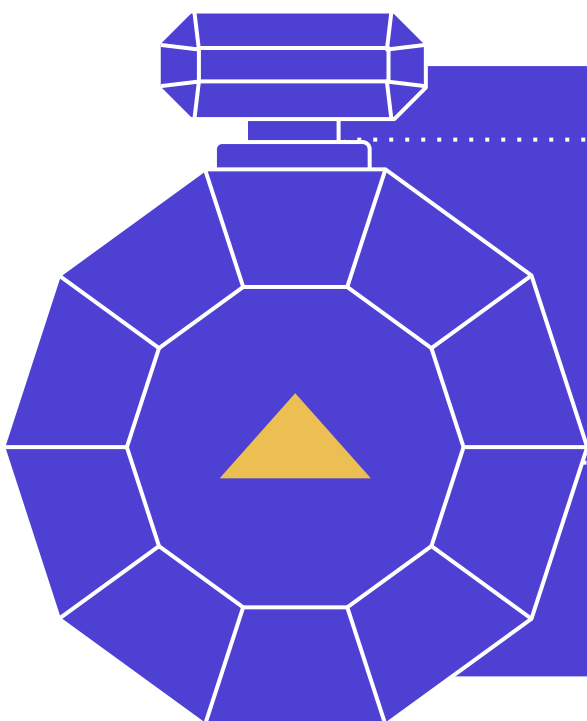
+39%
Daily revenue

in key expansion market Germany

smec

A stunning success

THG achieved global success across the entire beauty division.

Beyond LOOKFANTASTIC, smec's software solution allowed THG to realize their individual shops' goals. All while **reducing the time spent on tedious and error-prone manual tasks.**

"smec's multi-dimensional product segmentation has made a big impact on LOOKFANTASTIC's campaigns, smartly aligning them with our critical business goals for improved marketing efficiency.

This strategy has sharpened our focus on key products and boosted our presence in the market, leading to real gains in operations and sales.

We really appreciate the partnership with smec and are excited about what's ahead."

Cal Salvaggio
Global Head of Paid Media, THG

THG enhanced its brand by focusing on key products through smart segmentation.

Integrating warehouse logistics helped ship items more cost-effectively.

THG achieved **up to 42% more revenue** for several of their key 'Beauty' shops.

And here are the results:

+42%
Revenue for CultBeauty

+19%
Revenue for skinstore

The numbers have been measured YoY (comparison March-June).

smec

Beautiful performance

At Smarter Ecommerce, we have been helping online retailers get the best out of their Google & Microsoft Ads **for over 16 years**.
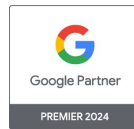
What we do is pretty unique: We combine our **own software** with the expertise of our **PPC experts** to optimize the performance of paid search ads.

Think of it this way: instead of just throwing ads out there, we make sure they're **precisely aligned** with what the retailer wants to achieve.

Whether it's improving ROAS, pushing certain product lines, or just ramping up overall profitability - our software **tailors ad campaigns** to grow these goals.

Why smec?

Recognized expertise:

Google Partner
PREMIER 2024

2023

Microsoft | Advertising
Elite Partner

Award-winning technology:

Microsoft Advertising
Partner Awards
Winner 2023

Smarter Ecommerce GmbH
Performance Partner
of the Year
EMEA

Search Engine Land
AWARDS
FINALIST
2023

The best part? **Cross-channel optimization!** We're not just looking at one ad platform – our proprietary AI model combines data from Google and Microsoft for a more cohesive strategy.

We put retailers back in control of their campaigns. With advanced experimentation frameworks and actionable insights, they can see exactly how their ads are performing and tweak them for better results.

500M
Google Ads budget under management

5B
Annual revenue generated for clients

115+
Performance Marketing experts

49
Countries we are active in

Contact us

smec